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MEMORANDUM FOR THE RECORD

SUBJECT: Meeting Between Mr. Robert Macy, Murphy Commission Representative and the DCI, 18 September 1974

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Mr. Macy met with the DCI for approximately 45 minutes and [] of the ICS was present. The discussion was limited to four items which Mr. Macy introduced.

1. The Consolidated Intelligence Budget. Mr. Macy inquired as to the appropriate timing for this document in order to optimize its usefulness to the OMB and increase its effectiveness. He also introduced the concept of Guidance issued by DCI at an early point in the planning cycle, suggesting that a selected number of programs might be "protected" by this procedure. Mr. Colby explained that his charge from the President was for an objective recommendation on the total size of the National Intelligence Program and the resources required to assure the Program's productiveness, and this had been responded to by the DCI providing annually to the President his "Recommendation." He does not visualize his charge to infer that he will involve himself in the detail of data required for a Budget, but he does see some need to better understand the base on some Programs in order to better judge the merits of the total resource requirements. He rejected the concept of "protecting" selected programs, explaining that in his view this would be non-productive in assisting him to objectively judge the total. Mr. Colby further explained that he had personally associated himself with the program reviews held this year, and that certain adjustments might be necessary in the future. He followed this by indicating that he could present his recommendations as early as October if this were deemed useful.

2. The Options Available to DCI for his Impact on the Political and Economic Issues Facing the United States. Mr. Macy remarked that in his review of the NSC structure and the Intelligence Community

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Staff's reflection of military presence, he was concerned that DCI's capability to impact appropriately on the economic and political issues of today could be somewhat obscure. Mr. Colby reminded Mr. Macy that Treasury had recently been made a member of NSCIC, and that with the reactivation of RAB and the activities of the EIC, he believed the existing structure was adequate. The presence of an NIO for Economics and Energy was also noted.

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4. The Open Budget. Mr. Macy inquired whether or not there appeared to be new activity on the question of giving greater visibility to the U.S. intelligence resource figures. Mr. Colby said that he had been consistent in his view that one year's figures caused no problem, but he could foresee a capability, if this were the policy in the future, to develop trend lines which lead to questions as to reasons for change, which in turn lead to questioning the base. This capability would concern him. However, he continues to feel that this problem is essentially a Congressional one, and he will respond to the guidance he receives.

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